

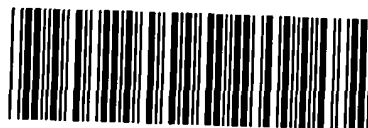
**Company Registration No. 07073338**

**CSC Computer Sciences UK Holdings Limited**

**Annual report and financial statements**

For the financial year from 1 April 2017 to 31 March 2018

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## **CSC Computer Sciences UK Holdings Limited**

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# **CSC Computer Sciences UK Holdings Limited**

## **Officers and Professional Advisers**

### **Directors**

S A De La Harpe  
T A Gough      Appointed 18 December 2017  
M C Woodfine   Appointed 18 December 2017  
D W H Gray      Resigned 13 November 2017  
M Greenhalgh    Resigned 22 December 2017

### **Company Secretary**

D W H Gray      Resigned 22 September 2017

### **Registered Office**

Royal Pavilion  
Wellesley Road  
Aldershot  
Hampshire  
GU11 1PZ

### **Principal Bankers**

Royal Bank of Scotland  
97 New Bond Street  
London  
W1S 1EU

### **Principal Legal Adviser**

Baker & McKenzie LLP  
100 New Bridge Street  
London  
EC4V 6JA

### **Auditor**

Deloitte LLP  
Statutory Auditors  
St Albans, United Kingdom

Statutory Auditor  
St Albans, United Kingdom

## **CSC Computer Sciences UK Holdings Limited**

### **Strategic report**

The directors present their Strategic report on the Company for the financial year ended 31 March 2018. In preparing the Strategic report, the directors have complied with s414c of the Companies Act 2006.

CSC Computer Sciences UK Holdings Limited ("the Company") is a private company incorporated in the United Kingdom under the Companies Act 2006, limited by shares and registered in England and Wales. The Company's registered and principal address is Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ.

The Company is an indirect subsidiary of DXC Technology Company (DXC), a public listed company incorporated in the United States of America and listed on the New York Stock Exchange.

The financial statements for the year 1 April 2017 to 31 March 2018 are set out on pages 10 to 24. A loss for the year of £5,324,000 (2017: loss of £69,992,000) has been transferred to reserves.

### **Business review**

CSC Computer Sciences International Holdings Limited continues to act as holding company for the DXC group companies.

Key transactions taking place during the financial year ended 31 March 2018 are as follows:

- The company issued 200,000,000 ordinary equity shares to CSC Computer Science International Limited for £200,000,000 at share premium of £340,349,851;
- On 24th May 2017, the share capital of the company was reduced by cancelling 900,000,000 shares of £1 each along with the reduction in share premium of £900,000,000 issued to the CSC Computer Sciences International Operations Limited;
- The company repaid a £436,000,000 bank loan during the year;
- The company also repaid a £90,000,000 loan to CSC Computer Sciences Limited and settled a £208,000,000 payable to CSC Computer Sciences International Operations Limited.

### **Future developments**

At the date of the annual report, the directors are not aware of any likely changes in the company's activities in the next period.

### **Principal risks and uncertainties**

The directors have considered the risks attached to the Company's financial instruments which principally comprise investments and loans to and from group companies. The directors have taken a prudent approach in their consideration of the various risks attached to the financial statements of the Company. The Company's exposure to price risk, credit risk, liquidity risk and cashflow risk is not material for the assessment of assets, liabilities and the financial statements.

Impairment and valuation risk of investments is dependent on the performance of the underlying group. The directors therefore perform annual impairment assessments on investment balances.

The director's policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so. The Company had hedged transactions during the financial year reported in note 4.

Further details on other business risks and uncertainties can be found in section 1A of the DXC's consolidated financial statements for the financial year ended 31 March 2018 which are available to the public and may be obtained from the Company's website [www.dxc.technology](http://www.dxc.technology)

## CSC Computer Sciences UK Holdings Limited

### Strategic report (continued)

#### Key performance indicators

The Company is managed by the UK management team along with other UK DXC entities. The performance and results for all UK entities are analysed on a worldwide DXC measurement basis, at a business unit and sector level. For this reason, the directors of the Company believe that analysis using key performance indicators is not appropriate for an understanding of the development, performance or position of the business shown in these financial statements.

Approved by the board and signed on its behalf by:



T A Gough  
Director

17/12/2018

#### Registered Office:

Royal Pavilion  
Wellesley Road  
Aldershot  
Hampshire  
GU11 1PZ

## **CSC Computer Sciences UK Holdings Limited**

### **Directors' report**

The directors present the annual report on the affairs of the Company, together with the audited financial statements and auditor's report for the financial year 1 April 2017 to 31 March 2018.

#### **Principal activity**

The Company continues to act as a holding company for the DXC group companies.

#### **Dividends**

No dividend was declared or paid during the financial year (2017: £nil).

#### **Political contribution**

The Company made no political donations during the financial year (2017: £nil).

#### **Going concern**

The Company is loss making and reports net current liabilities of £105,773,000 (2017: £14,277,000) as a result of amounts due to other group companies. Confirmation has been obtained from the parent company that it will continue to provide financial support to enable the Company to meet its financial obligations for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 2.

#### **Financial instruments & risk management**

Performance and finance risk management is an integral part of the Company's management processes. Details of Company's risk management are set out in the Strategic report on page 2 and form part of this report by cross reference.

#### **Directors**

The following were directors of the Company during the financial year and up to the date of this report, except as noted:

S A De La Harpe

T A Gough      Appointed 18 December 2017

M C Woodfine      Appointed 18 December 2017

D W H Gray      Resigned 13 November 2017

M Greenhalgh      Resigned 22 December 2017

No qualifying third party indemnity provisions were made by the Company during the year for the benefit of its directors.

#### **Research and development**

There was no cost incurred on research and development during the financial year (2017: £nil)

#### **Events since the reporting date**

The company has repaid a £185,000,000 bank loan. There have been no other subsequent events.

#### **Employees**

There were no employees of the company during the current or previous financial period.

#### **Branches outside the UK**

The company has no branches outside the UK as defined in section 1046(3) of Companies act 2006.

## CSC Computer Sciences UK Holdings Limited

### Directors' report (continued)

#### Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term. The Company has elected to dispense with the obligation to appoint an auditor annually under the provisions of section 485 to 488 of the Companies Act 2006.

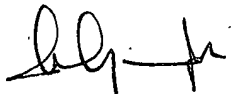
#### Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he/she has taken all steps that he/she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



T A Gough  
Director

17/12/2018

#### Registered Office:

Royal Pavilion  
Wellesley Road  
Aldershot  
Hampshire  
GU11 1PZ

## **CSC Computer Sciences UK Holdings Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Generally Accepted Accounting Standards and applicable law), including Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that financial year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



# **Independent auditor's report for the members CSC Computer Sciences UK Holdings Limited**

**For the financial year 1 April 2017 to 31 March 2018 (continued)**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of CSC Computer Sciences UK Holdings Limited (the "company")

- give a true and fair view of the state of the company affairs as at 31 March 2018 and of the loss of for the financial year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Comprehensive Income
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework", (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

## **Independent auditor's report for the members CSC Computer Sciences UK Holdings Limited**

**For the financial year 1 April 2017 to 31 March 2018 (continued)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

## **Independent auditor's report for the members CSC Computer Sciences UK Holdings Limited**

**For the financial year 1 April 2017 to 31 March 2018 (continued)**

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**David Halstead FCA (Senior Statutory Auditor)**

**for and on behalf of Deloitte LLP**

**Statutory Auditor**

**St Albans, United Kingdom**

*17 December* 2018

# CSC Computer Sciences UK Holdings Limited

## Income Statement

For the financial year 01 April 2017 to 31 March 2018

		Financial year 1 April 2017 to 31 March 2018	Financial year 2 April 2016 to 31 March 2017
	Notes	£'000	£'000
Administrative expenses		(242)	(291)
Other operating expenses		(9)	-
<b>Operating loss</b>	5	<u>(251)</u>	<u>(291)</u>
Finance income	7	5,743	3,282
Finance expense	7	<u>(10,816)</u>	<u>(72,570)</u>
<b>Loss before taxation</b>		(5,324)	(69,579)
Tax charge/(credit)	8	-	(413)
<b>Loss for the financial year</b>		<u><u>(5,324)</u></u>	<u><u>(69,992)</u></u>

The above results are wholly attributable to continuing activities.

The notes on pages 14 to 24 form part of these financial statements.

# CSC Computer Sciences UK Holdings Limited

## Statement of comprehensive income

For the financial year 01 April 2017 to 31 March 2018

		Financial year 1 April 2017 to 31 March 2018	Financial year 2 April 2016 to 31 March 2017
	Notes	£'000	£'000
Loss for the financial year		(5,324)	(69,992)
Other comprehensive income: items that will not be reclassified to profit or loss:			
Unrealised gain /(loss) on interest rate swap hedging	4	1,024	(991)
Total loss for the financial year		(4,300)	(70,983)

The notes on pages 14 to 24 form part of these financial statements.

# CSC Computer Sciences UK Holdings Limited

## Statement of financial position As at 31 March 2018

		At 31 March 2018	At 31 March 2017
	Notes	£'000	£'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	9	760,160	760,160
Deferred taxation asset	8	7,023	7,023
Derivative financial instruments	4	155	-
Trade and other receivables	10	179,857	175,600
<b>Total non-current assets</b>		<b>947,195</b>	<b>942,783</b>
<b>Current assets</b>			
Trade and other receivables	11	107,112	395,568
Cash at bank and in hand		36,210	-
<b>Total current assets</b>		<b>143,322</b>	<b>395,568</b>
<b>Total assets</b>		<b>1,090,517</b>	<b>1,338,351</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	(249,095)	(409,845)
<b>Total current liabilities</b>		<b>(249,095)</b>	<b>(409,845)</b>
<b>Net current liabilities</b>		<b>(105,773)</b>	<b>(14,277)</b>
<b>Total assets less current liabilities</b>		<b>841,422</b>	<b>928,506</b>
<b>Non-Current liabilities</b>			
Trade and other payables	13	-	(622,143)
Derivative financial instruments	4	-	(991)
<b>Total non-current liabilities</b>		<b>-</b>	<b>(623,134)</b>
<b>Total liabilities</b>		<b>(249,095)</b>	<b>(1,032,979)</b>
<b>Net assets</b>		<b>841,422</b>	<b>305,372</b>
<b>Equity</b>			
Share capital	14	232,051	932,051
Share premium		372,200	931,850
Hedging reserve		33	(991)
Profit and loss account		237,138	(1,557,538)
<b>Total equity</b>		<b>841,422</b>	<b>305,372</b>

The notes on pages 14 to 24 form part of these financial statements.

These financial statements of CSC Computer Sciences UK Holdings Limited (registered number 07073338) were approved and authorised for issue by the board of directors on

17 / 12 / 2018 and signed on its behalf by:

  
T A Gough  
Director

## CSC Computer Sciences UK Holdings Limited

### Statement of changes in equity

For the financial year 1 April 2017 to 31 March 2018

	Share capital £'000	Share premium account £'000	Hedging reserve £'000	Profit and loss account £'000	Total £'000
<b>Balance as at 2 April 2016</b>	270,051	269,850	-	(1,487,546)	(947,645)
Loss for the financial year	-	-	-	(69,992)	(69,992)
Issue of share capital	662,000	662,000	-	-	1,324,000
Other comprehensive income	-	-	(991)	-	(991)
<b>Balance as at 31 March 2017</b>	932,051	931,850	(991)	(1,557,538)	305,372
Loss for the financial year	-	-	-	(5,324)	(5,324)
Other comprehensive income	-	-	1,024	-	1,024
Issue of share capital	200,000	340,350	-	-	540,350
Capital reduction	(900,000)	(900,000)	-	1,800,000	-
<b>Balance as at 31 March 2018</b>	<u>232,051</u>	<u>372,200</u>	<u>33</u>	<u>237,138</u>	<u>841,422</u>

The notes on pages 14 to 24 form part of these financial statements.

During financial year 2018 company issued 200,000,000 ordinary equity shares (2017: issued 662,000,000 ordinary equity shares) to CSC Computer Science International Limited for £200,000,000 (2017: £662,000,000) at the share premium of £340,349,851 (2017: £662,000,000).

On 24th May 2017, capital reduction exercise was made by crediting the profit and loss reserve to the extent of £1,800,000,000 by reducing the share capital of the company by 900,000,000 shares of £1 each previously issued to the CSC Computer Sciences International Operations Limited along with the reduction in the share premium for £900,000,000.

Hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges.

Profit and loss account reserve represents accumulated retained earnings.

# CSC Computer Sciences International Holdings Limited

## Notes to the financial statements

For the financial year 1 April 2017 to 31 March 2018

### 1) Basis of accounting and general information

CSC Computer Sciences UK Holdings Limited continues to act a holding company for the DXC group companies.

The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ.

### 2) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

#### Basis of preparation

The financial statements of CSC Computer Sciences International Holdings Limited have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101. Where relevant, equivalent disclosures have been given in the consolidated financial statements of DXC Technology Company in relation to:

- the disclosure exemptions from IFRS 7 "Financial Instruments: Disclosures";
- the disclosure exemptions from IFRS 13 "Fair Value Measurement" to the extent that they apply to financial instruments;
- the disclosure exemptions from paragraphs 134 to 136 of IAS 1 "Presentation of Financial Statements";
- the disclosure exemptions from paragraphs 10 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
- the disclosure exemptions from paragraph 45(b) and 46-52 of IFRS 2 "Share based payment";
- the disclosure exemptions of IFRS 3 "Business combinations";
- the requirements of IAS 7 "Statement of Cash Flows";
- the requirements of IAS 24 "Related Parties" to disclose related party transactions entered into between two or more members of a group, provide that any subsidiary which is party to the transactions is wholly owned by such a member; and
- the requirements of IAS 36 "Impairment of Assets".

#### Going concern

The Company's business activities, together with the factors likely to affect its future development, principal risks and uncertainties, performance and position are set out within the Strategic report and Directors report.

The company meets its day-to-day working capital requirements through a combination of intercompany loans from its parent and other group companies as well as uncommitted money market facilities which are due for renewal at various different times in the future. Confirmation has been given by the ultimate parent company that it will continue to support the operations of the Company for a minimum of twelve months from the date of signing these financial statements.

The directors have a reasonable expectation that the wider DXC Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

#### Consolidation

The Company has taken advantage of the exemption under s401 to the Companies Act 2006 from the requirement to produce consolidated financial statements since the Company itself is a wholly owned subsidiary undertaking of DXC Technology Company, a Company registered in the United States of America, which itself prepares consolidated financial statements. The financial statements therefore present information as an individual undertaking and not as a group. Copies of the group financial statements of DXC Technology Company are available from 1775 Tysons Blvd, Tysons, VA 22102, USA.



# CSC Computer Sciences UK Holdings Limited

## Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

### 2) Summary of significant accounting policies (continued)

#### Foreign currency translation

Foreign currency transactions are translated into the functional currency of GBP using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the Income statement within 'Other operating expenses'.

#### Interest income

Interest income is recognised in the Income statement using the effective interest method.

#### Finance costs

Finance costs of debt, including interest, premiums payable on settlement and direct issue costs are charged to the Income statement in the financial year in which they fall due.

#### Current and deferred taxation

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in the Income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the Statement of financial position in the countries where the Company operates and generates taxable income. Provisions are made where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the Statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## **CSC Computer Sciences UK Holdings Limited**

### **Notes to the financial statements (continued)**

**For the financial year 1 April 2017 to 31 March 2018**

#### **Investments**

##### *Investments in subsidiaries*

Investments in subsidiaries are accounted for at cost, less, where appropriate, allowances for impairment.

##### *Impairment of investments*

At each reporting date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income statement.

#### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's Statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

#### **Financial assets**

##### *Trade and other receivables*

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, less any appropriate provision for estimated irrecoverable amounts. A provision is made for irrecoverable amounts where there is objective evidence that amounts due will not be collected.

They are included in current assets, except for payment terms greater than twelve months after the end of the reporting period. These are classified as non-current assets.

##### *Impairment of financial assets*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that the loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

##### *Derecognition of a financial asset*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers, nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. In the Statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

#### **Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity, after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

##### *Trade and other payables*

These amounts represent liabilities for goods and services provided to the Company for goods and services prior to the end of the financial year and are yet to be paid.

## CSC Computer Sciences UK Holdings Limited

### Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

#### 2) Summary of significant accounting policies (continued)

##### *Derivative financial instruments*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising any resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Income statement. Changes in the fair values of derivatives that are designated and qualify as fair value hedges are recorded in the Income statement, together with any changes in the fair values of the hedged assets or liabilities that are attributable to the hedged risk.

##### *Finance costs and debt*

Finance costs of debt are recognised in the Income statement over the term of such investments at a constant rate on the carrying amount. Debt is initially stated at the amount of the net proceeds after the deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting year and reduced by repayments made in the financial year.

#### 3) Critical accounting policies and judgements and key resource of estimation uncertainty

Certain accounting policies are considered to be critical. An accounting policy is considered to be critical if, in the Directors' judgement, its selection or application materially affects the financial position or results. The application of the accounting policies also requires the use of estimates and assumptions that affect the financial position or results.

Below is the summary of areas in which the estimation is applied primarily in the context of applying critical accounting policies and judgement.

##### **Critical accounting policies and judgements**

##### **Valuation of investments**

The carrying value of investments is re-assessed annually for impairment to ensure investment values are substantiated by their net assets or value in use.

##### **Key sources of estimation of uncertainty**

Areas for which there are major sources of estimation uncertainty at the reporting period end that have a significant risk of causing a material adjustment to be made to the carrying value amounts of assets and liabilities are discussed below:

##### **Impairment of investments in subsidiaries**

Determining whether company's investment in subsidiaries have been impaired requires estimation of investments value in use. The value in use calculations require entity to estimate future cash flows expected to arise from investments and suitable discount rates in order to calculate present values. The carrying amount of investment in subsidiaries at the balance sheet date was £760,160,000 with no impairment loss recorded in current or previous year.

#### 4) Financial instruments

The Company has the following financial assets measured at fair value.

	At 31 March 2018 £'000	At 31 March 2017 £'000
Interest rate swaps	155	(991)

# CSC Computer Sciences UK Holdings Limited

## Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

### 5) Operating loss

	Financial year 1 April 2017 to 31 March 2018	Financial year 2 April 2016 to 31 March 2017
	£'000	£'000
Operating loss is stated after charging:		
Foreign exchange loss	9	1

Auditor's remuneration was borne by a fellow group Undertakings within the DXC Technology Company group. The allocated fees payable to the company Auditor for the audit of company's annual financial statement is £10,000 (2017: £5,150).

### 6) Employees & Directors

The directors of the Company are also directors or officers of other companies within the DXC Technology group. The directors' services to the Company do not occupy a significant amount of their time and are considered to be incidental. As such these directors do not consider that they receive any remuneration for their services to the Company for the current year or the previous year.

There were no employees of the company during the current or previous financial period.

### 7) Finance Income & Expenses

#### Finance income

	Financial year 1 April 2017 to 31 March 2018	Financial year 2 April 2016 to 31 March 2017
	£'000	£'000
Interest receivable on loans to fellow group companies	5,618	3,266
Bank interest income	2	16
Gains on derivative financial instruments	123	-
	<u>5,743</u>	<u>3,282</u>

Interest receivable on loans to fellow group companies relates to intercompany loans. The details of these loans is disclosed in note 10 and 11.

#### Finance expense

	Financial year 1 April 2017 to 31 March 2018	Financial year 2 April 2016 to 31 March 2017
	£'000	£'000
Interest payable on loans from fellow group companies	38	63,199
Interest payable on bank loans and overdrafts	10,140	8,677
Other finance expenses	638	694
	<u>10,816</u>	<u>72,570</u>

## CSC Computer Sciences UK Holdings Limited

### Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

#### 8) Taxation

##### Current taxation

	Financial year 1 April 2017 to 31 March 2018	Financial year 2 April 2016 to 31 March 2017
	£'000	£'000
<i>Current tax</i>		
UK corporation tax on profits for the year 19% (2017: 20 %)	-	-
Adjustment in respect of prior years	-	-
Total current tax charge	-	-
<i>Deferred tax</i>		
Adjustment in respect of prior years	-	-
Origination and reversal of timing differences	-	413
Impact of change in tax rate	-	-
Total deferred tax benefit	-	413
Tax charge/(credit) on loss	-	413

##### Tax expense/(income) included in other comprehensive income:

The tax expense for the period is lower (2017: higher) than the standard rate of corporation tax in the United Kingdom for the financial year ended 31 March 2018 of 19% (2017: 20%). The differences are explained below:

	Financial year 1 April 2017 to 31 March 2018	Financial year 2 April 2016 to 31 March 2017
	£'000	£'000
Loss before taxation	(5,324)	(69,579)
Profit multiplied by the standard rate of tax in the United Kingdom of 19% (2017: 20 %)	(1,012)	(13,916)
Effects of:		
- Group relief surrendered	1,012	14,456
- Transfer Price Adjustment	-	(540)
- Re-measurement of deferred tax - change in UK tax rate	-	1,730
- Adjustments to tax charge in respect of prior periods	-	-
- Deferred Tax not recognised	-	(1,317)
	-	413

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2017, a reduction to the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

The rate of 17% (2017: 17%) has been used to calculate the deferred tax asset.

# CSC Computer Sciences UK Holdings Limited

## Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

### 8) Taxation(continued)

The deferred tax assets and liabilities have been updated to reflect the reduction in the rates.

#### Deferred tax asset

	Recognised	Recognised	Unrecognised	Unrecognised	Movement in income
	2018	2017	2018	2017	2018
	£'000	£'000	£'000	£'000	£'000
Short term temporary differences	7,023	7,023	31,089	22,386	
	<u>7,023</u>	<u>7,023</u>	<u>31,089</u>	<u>22,386</u>	<u>-</u>

### 9) Investments

Investment in subsidiaries	£'000
Cost	
At 1 April 2017 and 31 March 2018	<u>1,983,238</u>
Provision for impairment	
At 1 April 2017 and 31 March 2018	<u>(1,223,078)</u>
Net book value	
At 31 March 2018	<u>760,160</u>
At 31 March 2017	<u>760,160</u>

Investments in subsidiaries are all stated at cost less allowance for impairment. Information on shares held by the Company as at 31 March 2018 are listed in Appendix to note 9 at the end of the financial statements.

### 10) Trade and other receivables: disclosed as non-current assets

	At 31 March 2018	At 31 March 2017
	£'000	£'000
Amounts owed by fellow group undertakings	<u>179,857</u>	<u>175,600</u>
	<u>179,857</u>	<u>175,600</u>

The loan of £175,600,000 is relating to loan lent to Xchanging UK Limited for which the interest is charged at 3 month GBP LIBOR + 1.5% p.a. with the loan maturing on 10 May 2021, and loan amount of £4,257,000 at the interest rate of 5 year GBP SWAP rate 1.413% + 1.5% lent to the CSC Computer Sciences Limited.

# CSC Computer Sciences UK Holdings Limited

## Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

### 11) Trade and other receivables: disclosed as current assets

	At 31 March 2018	At 31 March 2017
	£'000	£'000
Amounts owed by fellow group undertakings	106,937	395,182
Prepayments	175	386
	<u>107,112</u>	<u>395,568</u>

The amount owed by the fellow Group undertaking includes the loan amount of £104,900,000 at the interest rate of LIBOR+1.5% lent to the CSC Computer Sciences Limited and remaining balances with other fellow group companies are not interest bearing and repayable on demand.

### 12) Trade and other payables: disclosed as current liabilities

	At 31 March 2018	At 31 March 2017
	£'000	£'000
Bank loans and overdrafts	186,588	48,157
Amounts owed to fellow group undertakings	62,507	361,688
	<u>249,095</u>	<u>409,845</u>

Amounts owed to fellow group undertaking are not interest bearing and are repayable on demand.

### 13) Trade and other payables: disclosed as non-current liabilities

	At 31 March 2018	At 31 March 2017
	£'000	£'000
Bank loans	-	622,143
	<u>-</u>	<u>622,143</u>

During the period company settled a bank loan of £437,000,000. The remaining amount of £185,000,000 was converted to short term borrowings.

## CSC Computer Sciences UK Holdings Limited

### Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

#### 14) Share capital

	At 31 March 2018	At 31 March 2017
	£'000	£'000
Authorised, Allotted, Issued, and Fully Paid:	232,051	932,051
232,051,138 (2017: 932,051,137) ordinary shares of £1 each	<u>232,051</u>	<u>932,051</u>

During financial year 2018 company issued 200,000,000 ordinary equity shares (2017: issued 662,000,000 ordinary equity shares) to CSC Computer Science International Limited for £200,000,000 (2017: £662,000,000) at the share premium of £340,349,851 (2017: £662,000,000).

On 24th May 2017, capital reduction exercise was made by crediting the profit and loss reserve to the extent of £1,800,000,000 by reducing the share capital of the company by 900,000,000 shares of £1 each previously issued to the CSC Computer Sciences International Operations Limited along with the reduction in the share premium for £900,000,000.

#### 15) Controlling parties

The ultimate parent company and controlling entity is DXC Technology Company, a company incorporated in the United States of America. This is the parent undertaking of both the smallest and the largest group which includes the Company and for which group financial statements are prepared. Copies of the group financial statements of DXC Technology Company are available from 1775 Tysons Blvd, Tysons, VA 22102, USA.

The immediate parent Company of CSC Computer Sciences UK Holdings Limited is CSC Computer Sciences International Operations Limited, a Company incorporated in Great Britain and registered in England and Wales.

#### 16) Events after the end of the reporting year

The company has repaid the £185,000,000 bank loan. There were no other subsequent events after the end of the reporting date.



## CSC Computer Sciences UK Holdings Limited

### Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

#### Investments - Appendix to note 9

Further information on shares held by the Company as at 31 March 2018 are listed in below:

##### A) Direct Investment made:

Name of the Subsidiary	Country of incorporation and registered office	Activity	Proportion of ownership interest and voting rights held in (%)	
			2018	2017
CSC Computer Science Limited	Royal Pavillion, Aldershot, Hampshire, GU11 1PZ, United Kingdom	Computer services	99	99

##### B) Indirect investment made:

Name of the Subsidiary	Country of incorporation and registered office	Activity	Proportion of ownership interest and voting rights held in (%)	
			2018	2017
iSOFT Health Verwaltungs-GmbH	Burgstr. 9, Bochum 44867, Germany	Computer Services	100	100
iSOFT Health (Ireland) Limited	Liffey Park Technology Campus Leixlip co, Kildare W23 Y972 Ireland	Computer Services	100	100
Computer Sciences Corporation Services (Pty) Limited	6th Floor West Tower, Canal Walk, Century City, Cape Town 441, South Africa	Computer Services	100	100
CSC Computer Sciences (Middle East) Limited	Royal Pavilion, Wellesley Road, Aldershot, Hampshire GU11 1PZ, United Kingdom	Computer Services	100	100
CSC UKD 4 Limited	Royal Pavilion, Wellesley Road,	Computer Services	100	100

## CSC Computer Sciences UK Holdings Limited

### Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

Aldershot,

Hampshire GU11 1PZ,

United Kingdom

iSOFT Limited	Royal Pavilion, Wellesley Road, Aldershot, Hampshire GU11 1PZ, United Kingdom	Computer Services	100	100
CSC Deutschland Consulting GmbH	Abraham-Lincoln-Park 1 Wiesbaden 65189, Germany	Computer Services	95	95

### Investments - Appendix to note 9

Name of the Subsidiary	Country of incorporation and registered office	Activity	Proportion of ownership interest and voting rights held in (%)	
			2018	2017
RPDP Limited	22 Grenville Street, St Helier, Jersey, JE4 8PX	Computer Services	100	100
CSC Computer Sciences Middle East Ltd OPC	PO Box 24139, Doha, State of Qatar	Computer Services	100	100
CSC Computer Sciences (Middle East) FZ LLC	201, 2nd floor, Pfizer Building, Dubai Media City 500020, Dubai, United Arab Emirates	Computer Services		

Fixnetix Ltd.

# CSC Computer Sciences UK Holdings Limited

## Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

Royal pavilion,	Computer	100	100
Wellesley road, Aldershot	services		
Hampshire GU11 1PZ,			
United Kingdom			